

INFORMATION LETTER

Not for
Publication

NATIONAL CANNERS ASSOCIATION

For Members
Only

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December 8, 1956

Committees Review N. C. A. Business

Several of the N.C.A. Committees held meetings this week at the Washington headquarters for preliminary discussion of subjects dealing with the Convention and other Association business that will be brought up before the Board of Directors at its next meeting.

The Convention Arrangements Committee thoroughly discussed the problems that have arisen from the growing size of the annual meeting. There was agreement that the traditional function of the Convention to provide an opportunity for canners to make business contacts as well as to attend programs should be continued. The Committee's discussions dealt with the matter of Convention arrangements on a long-range basis. Details of its recommendations will be published in the next INFORMATION LETTER.

The Reappraisal Committee studied the reports from N.C.A. members voicing their opinions on the relative merits of the several N.C.A. activities. This preliminary meeting was held so that the Committee could give the Budget Committee information in case any major changes had been requested by the membership. A final report of the Reappraisal Committee will be presented to the Board of Directors at the February 15 meeting.

The Technical Subcommittee on the Consumer and Trade Relations Program met with members of the N.C.A. and D.A.Y. staff to go over progress reports on the several current C.&T.R. projects, and to reach decisions on the detail handling of future items in this promotion.

The Budget Committee did preliminary work on details of the budget that will be presented in final form to the Board in February.

President Hudson held a joint meeting of the various groups for the purpose of discussing and getting under way a canner-grower relations program. It was the sense of the meeting that a letter should be written to all members of the industry suggesting that canners bring to the attention of their Congressmen the possibility that legislation inimical to the interest of growers will be introduced in the coming Congress. Such a letter is being prepared along with material for canners' use in canner-grower relations activities.

The Technical Committee on Baby Foods discussed several projects which this group has under active study. These include variability of glass containers, test procedures for bacteriological and pesticide residue control, and other problems of common interest to baby food packers.

Utilization of White Potatoes

The eight-member Task Group on White Potato Products, named to advise the President's bipartisan Commission on Increased Industrial Use of Agricultural Products, will hold its second meeting December 14-15 in Washington, D. C. A previous organizational session was held by the group in November.

"The task group has been asked to review the technical and economic position of white potatoes, to appraise current and planned research on utilization of this crop, and to submit an advisory report on its findings for consideration by the Commission in making recommendations to Congress designed to increase industrial uses of farm products," according to an announcement issued through the USDA.

Chairman of the group is Frank Hussey, executive vice president of Potato Industry Council of Maine, Inc., Presque Isle. Other members are:

L. L. Branthoover, general manager, Idaho Potato Growers, Inc., Idaho Falls; W. B. Camp, Jr., W. B. Camp and Sons, Inc., Bakersfield, Calif.; Lyle W. Currie, manager, Potato Research Center, East Grand Forks, Minn.; L. A. Masters, manager, Florida Planters, Inc., Hastings, Fla.; Dr. A. E. Mercker, executive director, National Potato Council, Inc., Washington, D. C.; Dr. Ora Smith, Department of Vegetable Crops, Cornell University, Ithaca, N. Y.; and Dr. Fred Talburt, Western Utilization Research Branch, USDA, Albany, Calif.

SBA Adopts New Definition for Measuring Small Business

The Small Business Administration has adopted a revised definition of small business for government procurement purposes. The new definition permits some firms with fewer than 500 employees to be classified as large and some with more than 500 employees to be classified as small.

The number of employees is measured, generally, as the quarterly employment of each concern and its affiliates based on the average number of employees reported to the Treasury Department under the OASI program for either the preceding four quarters or for the most recent quarter, "whichever more correctly reflects the size of the concern in question."

SBA said that the revised definition introduces a new element of flexibility into government purchasing, and modifies the old arbitrary and inflexible rule that for government procurement purposes all firms with 500 or more employees are large and those with less than 500 employees are small.

Under the new ruling, a business enterprise with fewer than 500 employees cannot be considered small if it is dominant in its field of operation. On the other hand, a relatively small business enterprise which is primarily engaged in an industry characterized by a large number of employees may be certified as small business even though it has more than 500 employees.

The new definition, SBA said, will allow participation in government purchases set aside for small firms by concerns actually small in their fields of operation. The 500-employee rule is given flexibility by the SBA in its process of certifying concerns in the above-500 group as small.

Any firm with fewer than 500 employees, which has not previously been denied small business status by the SBA, has the right to represent that it is a small business when it submits a bid or proposal on a specific government procurement. If challenged, the firm may apply to the nearest SBA

office for a certificate that it qualifies as a small firm.

SBA LOAN PROGRAM

For loans and purposes other than government procurement, the SBA will continue to use a definition providing that any manufacturing concern is classified as small if it employs 250 or fewer employees, including affiliates; as large if it employs more than 1,000 persons. Between these limits, a manufacturing firm may be classified as either small or large depending on its industry and in accordance with the SBA industry employment size standards.

Following is the text of the SBA regulation, as published in the *Federal Register* of December 7:

TITLE 13—BUSINESS CREDIT AND ASSISTANCE

Chapter II—Small Business Administration

PART 103—SMALL BUSINESS SIZE STANDARDS

On January 5, 1956, a notice of proposed rule-making was published in the *Federal Register* (21 F. R. 79), relating to small business size standards. The following regulations are hereby adopted and are to be effective on January 1, 1957.

Sec.

103.1 Purpose.

103.2 Definition of Terms.

103.3 Determination of Small Business for Government Procurement.

103.4 Determination of Small Business for Financial and Other Assistance.

103.5 Protest of Small Business Status.

103.6 Appeals.

AUTHORITY: Secs. 103.1 through 103.6 issued under Sec. 205(b) (6), 67 Stat. 236, 16 U.S.C. 634(b) (6) (Supp. II, 1952). Interpret or apply Secs. 202, 203, 212 and 213, 67 Stat. 232, 233, 235, 236, 16 U.S.C. 631, 632, 641, 642 (Supp. II, 1952); Sec. 207 as amended, 69 Stat. 549, 16 U.S.C. 636 (Supp. III, 1952).

Sec. 103.1 Purpose. This regulation establishes criteria and procedures to define and determine which concerns are "small business concerns" within the meaning of the Small Business Act of 1953, as amended (hereinafter referred to as the "Act").

Sec. 103.2 Definition of Terms.

(a) "SBA" means the Small Business Administration.

(b) "Annual dollar volume, annual sales and annual receipts" means the annual dollar volume, annual sales and annual receipts of a concern and its affiliates during its most recently completed fiscal year.

(c) "Number of employees," as used in the Act or referred to herein in connection with the determination of small business status, except as SBA otherwise determines in a particular industry or part thereof, means the quarterly employment of the concern in question and its affiliates based (1) on the average number of em-

ployees reported for the preceding four quarters to the United States Treasury Department under the Old Age and Survivors Insurance Program; or (2) the number of employees as of the most recent quarterly report, whichever more correctly reflects the size of the concern in question. If a concern has not been in existence for a sufficient length of time to have made a quarterly report "Number of Employees" means the average monthly employment of such concern and its affiliates during the period such concern has been in existence.

(d) A concern is "not dominant in its field of operation" when it does not exercise a controlling or major influence in an area of business activity. In determining whether dominance exists, consideration shall be given to all appropriate factors including volume of business, number of employees, financial resources, competitive status or position, ownership or control of materials, processes, patents and license agreements, sales territory and business activity.

(e) "Affiliates." Business concerns are affiliates of each other when either directly or indirectly (1) one concern controls or has the power to control the other, or (2) a third party controls or has the power to control both. In determining whether concerns are independently owned and operated and whether or not affiliation exists, consideration shall be given to all appropriate factors including common ownership, common management and contractual relationships.

(f) "Small Business Certificate" means a certificate issued by SBA pursuant to the authority contained in Secs. 203 and 212 of the Act certifying that the holder of the certificate is a small business concern for the purpose of Government procurement and in accordance with the terms of the certificate.

(g) "Certificate of Competency" means a certificate issued by SBA pursuant to the authority contained in Sec 212(d) of the Act stating that the holder of the certificate is competent as to capacity and credit, to perform a specific Government procurement contract.

Sec. 103.3 Determination of small business for government procurement. (a) *General definition.* A small business concern for the purpose of Government procurement is a concern that (1) is not dominant in its field of operation and, with its affiliates, employs fewer than 500 employees, or (2) is certified as a small business concern by SBA.

(b) *Status of non-manufacturer.* Anyone who submits bids or offers in his own name, but who proposes to furnish a product not manufactured by said bidder or offeror is deemed to be a small business concern when (1) he is a small business concern within the meaning of paragraph (a) of this

section, and (2) he is a regular dealer as defined in the Walsh-Healey Public Contracts Act, and (3) in the case of a Government procurement reserved for or involving preferential treatment of small businesses or one involving equal bids, such non-manufacturer shall, in order to qualify as small business, furnish the product of a small business manufacturer or producer in the performance of the contract.

(c) *Status through certification.* Any business concern may apply to the Regional or Branch Office of SBA nearest to such concern's principal place of business for a Small Business Certificate. If the applicant, together with all its affiliates, is not dominant and is otherwise determined to be a small business in its field of operation, even though it has an excess of 500 employees, a certificate will be issued certifying that the applicant is a small business concern within the meaning of the Act. The holder of such a certificate will then qualify, subject to the terms of the certificate, as a small business concern for Government procurement purposes. If the applicant is dominant, even though together with all its affiliates it employs fewer than 500 persons, the application for a certificate shall be denied.

(d) *Status through representation.* In the submission of a bid or proposal on a Government procurement, a concern which meets the criteria of Sec. 103.3(a) or (b), and which has not previously been denied small business status by SBA, may represent that it is a small business. In the absence of a written protest, such concern shall be deemed to be a small business for the purpose of the specific Government procurement involved.

Sec. 103.4 Determination of small business for financial and other assistance. A small business concern for the purpose of financial and other assistance (except procurement assistance) is a business concern, including its affiliates, which is not dominant in its field of operation and can further qualify under the following criteria:

(a) *Manufacturing:* Any manufacturing concern is classified:

(1) As small if it employs 250 or fewer employees;

(2) As large if it employs more than 1,000 employees;

(3) Either as small or large, depending on its industry and in accordance with the employment size standards set forth in Schedule A, if it employs more than 250 but not more than 1,000 employees. [Ed. Note: Schedule A sets 250 as the employment size standard for canning.]

(b) *Wholesale:* Any wholesale concern is small if its Annual Dollar Volume of Sales is \$5,000,000 or less. Any wholesale concern also engaged in manufacturing is not a "small business concern" unless it so qualifies

under both the manufacturing and wholesaling standards.

(c) *Retail*: Any retail concern is classified:

(1) As small if its Annual Sales are \$1,000,000 or less;

(2) As small if it is primarily engaged in making retail sales of general merchandise (including department stores and variety stores) or new and used motor vehicles or groceries with fresh meats and its Annual Sales are \$2,000,000 or less.

(d) *Service trades*: Any service trades concern is small if its Annual Receipts are \$1,000,000 or less except that any hotel or power laundry is small if its Annual Receipts are \$2,000,000 or less.

(e) *Construction*: Any concern primarily engaged in construction is small if its average Annual Receipts are \$5,000,000 or less for the preceding three years.

(f) *Trucking and warehousing*: Any trucking and warehousing (local and long distance) concern is small if its Annual Receipts are \$2,000,000 or less.

(g) *Taxicabs*: Any taxicab concern is small if its Annual Receipts are \$1,000,000 or less.

(h) *Certificate of Competency*: A concern which has been issued a Certificate of Competency is a small business concern for the purpose of SBA financial assistance.

(i) *Other standards*: If a concern is engaged in the production of a number of products or the providing of a variety of services which are classified into different industries, the appropriate standard to be used is that which has been established for the industry or activity in which it is primarily engaged. If no standard for an industry or activity has been set out in this Regulation, a concern seeking a size determination should apply for a Small Business Certificate.

Sec. 103.5 *Protest of small business status*. (a) A bidder or offerer may, prior to award, question the small business status of the apparently successful bidder or offerer by sending a written protest to the contracting officer and to the SBA Regional Office for the region in which the apparently successful bidder or offerer has its principal place of business. Such protest shall contain a statement of the basis for the protest and available supporting facts. SBA will promptly notify the contracting officer of the date such protest was received and will advise the bidder in question that its size status is under review.

(b) The contracting officer in a specific Government procurement may, prior to award, question the small business status of the apparently successful bidder or offerer by sending a written notice to the SBA Regional Office for the region in which the

bidder or offerer has its principal place of business. Such notice shall contain a statement of the basis for such notice and available supporting facts. SBA will promptly notify the contracting officer of the date such notice was received and will advise the bidder in question that its size status is under review.

(c) The SBA will as soon as possible and within not more than 10 working days after receipt of a protest or notice investigate and determine the small business status of the concern and notify the contracting officer and the concern of its decision.

Sec. 103.6 *Appeals*. (a) Any concern which has been denied small business status by SBA may file an appeal with the Regional Office which issued the denial. The appeal must be in writing, signed by the applicant, and shall contain the basis therefore together with any new supporting facts. The Regional Director shall forward the appeal, together with his comments and appropriate files, to the Chairman, Size Standards Committee, Small Business Administration, Washington 25, D. C.

(b) The filing of an appeal shall not extend or in any other way modify the time limit for determinations as set forth in Section 103.5(c) herein.

[s] WENDELL B. BARNES
Administrator.

NOVEMBER 30, 1956

Inspection of Fresh Crops

The Agricultural Marketing Service of USDA has revised its rules and regulations governing inspection and certification of fresh fruits and vegetables. The revised rules will become effective January 4.

USDA said that no changes were made in the proposed rules and regulations as announced in October. Text of the revision was published in the *Federal Register* of December 4.

Poultry Inspection and Grading

Notice is given in the *Federal Register* of November 29 that the Agricultural Marketing Service of USDA proposes to amend regulations governing the grading and inspection of poultry and U. S. classes, standards and grades.

The proposed amendment would change the definition of ready-to-cook poultry, require licensed graders to be federal or state employees, provide for limited license graders, set forth prohibited acts in connection with employees of the Service as grounds for denial of service, and make other changes in the program.

Cabbage Purchase Program

In order to encourage domestic consumption of cabbage by diversion from the normal channels of trade and commerce, a cabbage purchase program was made effective in mid-October and will continue as needed but no later than December 31, it was announced by USDA December 3.

Purchases with section 32 funds will be made in producing areas where surpluses are causing serious marketing problems, USDA said. Cabbage so purchased will be distributed to non-profit school lunch programs and other eligible outlets. The quantity to be purchased will depend upon marketing conditions at the time of purchase, the availability of outlets for the use of cabbage without waste, and upon the amount of funds available for such purchase.

Grapefruit Sections for USDA

USDA announces that it contemplates purchasing canned grapefruit sections for distribution in the National School Lunch Program.

Offers may be submitted for the sale of U. S. Grade A (Fancy) canned grapefruit to be packed in No. 3 cylinder cans subsequent to the date of award of contracts, to which Walsh-Healey Act stipulations will not apply. Contracts will provide that not in excess of 15 percent of the contracted quantity may be of U. S. grade B (Choice) at the contractor's option, at a discount of \$0.35 a case. Details and specifications of the purchase are being mailed by USDA to all grapefruit canners.

Offers should be submitted to the Fruit and Vegetable Div., Agricultural Marketing Service, USDA, Washington 25, D. C., by December 11 for acceptance by December 14. Deliveries will be required during the period January 2-February 16.

Pork Purchase Program

USDA has reported that purchases of canned pork products under the program announced October 30 to help stabilize producer prices totaled 6,573,600 pounds through December 3.

Of the total, 1,584,000 pounds are canned hams and 4,989,600 pounds are pork luncheon meat.

USDA will continue to accept offers on a weekly basis, with offers due each Thursday.

N.C.A. Officers Indicate Changes in Food Industry

N.C.A. President William U. Hudson and Vice President A. Edward Brown were principal speakers this week at meetings of local canner associations.

President Hudson reported to the Tri-State Packers Association, at its 53d annual convention December 7, on the growing need of people with higher skills and better education in business and industry.

Vice President Brown predicted, at the 50th anniversary meeting of the Minnesota Cannery and Freezers Association, that the pattern of production and consumption of processed foods will change considerably in the foreseeable future, and the new technology will continue improvements in canned foods.

MR. HUDSON AT TRI-STATE

In canning plants, Mr. Hudson asserted, the need has changed from large numbers of unskilled labor and few semi-skilled or skilled workers to where cannery now need better mechanics or technically trained people, more intelligent supervision, and less unskilled labor.

Mr. Hudson explained that it is becoming more difficult to go out and hire these people. Practically all of the scarcity lies in the age group of 20 to 30 years, he said.

"The birth rate 20 to 30 years ago averaged about 2,300,000 annually. It started to climb in 1944 and 1945, and for the past 10 years has averaged close to 3,800,000 per year. This high birth rate, combined with lower mortality rates, creates a tremendous increase in a population which has to be served by this relatively small number of people in the 20-30 age group. Such a shortage paralleling the current high level of demand for practically every form of goods and services by a rapidly-growing population is bound to create a severe scarcity of capable and skilled people, despite increasing automation."

The speaker set forth two basic things business men can do to meet this situation:

"(1) Hold the men we have, but see that they are utilized to their maximum capacity by continuous training and assistance so that they are available and prepared for assuming greater responsibilities.

"(2) Bring in young men as they are available from schools and colleges

or from the service. Put them on jobs that hold their interest and where they learn as they work. Give them also an opportunity to participate in training programs on general management subjects, or highly specialized programs covering almost every aspect of business.

"To accomplish these objectives we must first see that our own house is in order—that it is a place where people like to work, that the compensation is fair and adequate, that we have sound health, welfare and pension programs and that all levels of management are not only capable and know their jobs, but that they are considerate and have a real interest in the welfare of the people working under them," he stated.

The N.C.A. Information Division prepared and issued newspaper and radio-TV releases covering highlights of Mr. Hudson's remarks to 242 Delaware, Maryland and New Jersey newspapers; 75 radio and TV stations in the three states; as well as to the canning trade journals and national, state and local wire services.

Another N.C.A. contribution to the Tri-State program was a showing of the industry movie "The Three Squares."

Albert H. Skean, well known manager of the Atlantic City Convention Bureau, was honored at the Tri-State meeting by the Canning Machinery and Supplies Association. Mr. Skean was honored in a special ceremony, attended by President Hudson and Executive Secretary Carlos Campbell, at which he was made the first honorary member of the C.M.&S.A. in recognition of "outstanding and exceptional service to C.M.&S.A. and the canning industry."

MR. BROWN AT MINNESOTA

At the Minnesota meeting Mr. Brown declared that the food canning industry, through research, will be able to furnish "increasing quantities of processed foods, better prepared, from better raw products, more nourishing, more attractive, and tastier."

Even though the preservation process may undergo great changes, with the development of radiation preservation or some other technique, he said, the basic business of preparing, processing and distributing food will remain in the canning industry.

"Whatever our achievements as an industry in years gone by," Mr. Brown declared, "the next 50 years will see far greater advances. We are faced with an ever-growing population

whose eating habits are changing with each passing year."

The Information Division prepared and issued newspaper and radio-TV releases, covering highlights of Mr. Brown's remarks to 119 Minnesota newspapers, 61 radio-TV news directors in Minnesota, the canning trade journals, and national and local wire services.

The Canning Machinery and Supplies Association paid a 50th anniversary tribute to the Minnesota association, the award being a resolution adopted by C.M.&S.A. officers and board of directors, which was accepted by Charles A. Brown of the Olivia Canning Co., president of the Minnesota association.

Georgia Cannery Association

Joel J. Edwards of Besco Products Company, Zebulon, was elected president of the Georgia Cannery Association at the group's annual meeting. Other officers elected were:

Cliff Bateman, Bateman Canning Company, Macon, first vice president; Ennis Parker, Pomona Products Company, Griffin, second vice president; and Kenneth Williams, Griffin, re-elected secretary-treasurer.

Indiana Cannery Association

Charles A. Shuttleworth of Shuttleworth Foods, Inc., Warren, was elected president of the Indiana Cannery Association at the group's 48th annual convention recently. Other officers elected were:

William E. Butterfield, Butterfield Canning Company, Muncie, vice president; Jack Rider, Kenneth N. Rider Company, Trafalgar, treasurer; and Warren R. Spangle, Shelbyville, re-elected executive secretary.

Ohio Cannery Association

S. F. Hammond of Stokely-Van Camp, Inc., Celina, was elected president of the Ohio Cannery Association at the group's 49th annual meeting. Other officers elected were:

Paul Korn, St. Marys Packing Co., Delphos, first vice president; and Charles Stemley, Stemley Canning Company, New Weston, second vice president.

Paul Hinkle, secretary-treasurer since 1950, has submitted his resignation to be effective no later than March 31, 1957, to devote full time to his duties as Superintendent of Banks.

Iowa-Nebraska Cannery Assn.

Fred T. Wright of Beaver Valley Canning Co., Grimes, was reelected president of the Iowa-Nebraska Cannery Association at the group's 55th annual convention recently. Other officers reelected were:

Alfred Rieck, Tripoli Canning Co., Inc., Tripoli, vice president; and Guy E. Pollock, Marshalltown, secretary-treasurer.

Michigan Cannery & Freezers

Gary S. Morgan of the John C. Morgan Company, Traverse City, was reelected president of the Michigan Cannery and Freezers Association at the group's annual meeting. Other officers reelected were:

Howard C. McDonald, Oceana Canning Co., Shelby, vice president; and Reed M. Roberts, Grand Rapids, secretary-treasurer.

Assn. of Pacific Fisheries

E. E. Murray, executive vice president of the Alaska Pacific Salmon Company, Seattle, was reelected president of the Association of Pacific Fisheries at the group's 43d annual convention. Other officers elected were:

A. W. Brindle, Wards Cove Packing Co., Seattle, first vice president; T. F. Sandoz, Columbia River Packers Association, Inc., Astoria, Ore., second vice president; S. M. Rosenberg, New England Fish Co., Seattle, third vice president; and A. R. Barthold, Alaska Packers Association, fourth vice president.

N.C.A. at UN Conference

George E. Steele, Jr., Director of the N.C.A. Fishery Products Division, is in New York as an observer at a meeting of a United Nations committee which is concerned with territorial waters and related subjects affecting international fisheries. The special committee is considering a report by the International Law Commission on the subject of the territorial sea and fishery jurisdiction.

The subject is of concern to a substantial part of the American fishing industry inasmuch as several of the domestic fisheries depend heavily on fishery resources off foreign coasts. It is anticipated that the question of territorial limits may be referred eventually to the UN General Assembly for a policy declaration.

ICC Regulates Trip-leasing

The Interstate Commerce Commission on December 3 issued a complete set of regulations to govern leasing and interchange of motor vehicles, effective February 1.

Resolving a controversy of several years over trip-leasing, the ICC rules will establish requirements that are intended to put an end to the practice whereby certain owner-operators avoid ICC regulation through leasing arrangements.

The new rules will require that leases be for a minimum period of 30 days. The rules also provide for a written lease, assumption of carrier responsibility for non-owned vehicles, adequate identification and inspection of equipment, compliance with regulations as to drivers and operating safety, equipment interchange regulations, and a prohibition against rental of equipment to private carriers and shippers.

Certain classes of agricultural vehicles were exempted from ICC regulation by P. L. 957 which was approved last August 3. The three classes of motor vehicles exempted from regulation, if they are used by the motor carrier in a single movement or in one or more of a series of movements, loaded or empty, in the general direction of the general area in which the vehicle is based, are:

- (1) A motor vehicle controlled and operated by any farmer when used in transportation of his agricultural commodities or products thereof, or in the transportation of supplies to his farm;
- (2) A motor vehicle controlled and operated by a cooperative association or by a federation of such cooperative associations; and
- (3) A motor vehicle of a private carrier, used regularly in the transportation of perishable agricultural or fishery commodities, not including manufactured products thereof, or perishable products manufactured from perishable products of a character embraced within Section 203(b) (6) of the ICC Act.

Stokely-Van Camp Personnel

H. F. Krimendahl, president of Stokely-Van Camp, Inc., Indianapolis, announces that Robert H. Gunther, administrative assistant to the president of Stokely-Van Camp, Inc., and John E. Staren, president of the John E. Staren Company of Chicago, have been elected members of the board of directors of Capitol City Products Company, Columbus, Ohio.

Use Tax on Motor Vehicles

The Internal Revenue Service this week issued final regulations relating to the excise tax on the use of certain highway motor vehicles. The regulations were issued as Treasury Decision 6216 and were published in the *Federal Register* of December 6.

The Highway Revenue Act of 1956 imposed a new annual highway use tax on any highway motor vehicle with a gross weight of more than 26,000 pounds at the rate of \$1.50 a year for each 1,000 pounds of taxable gross weight or fraction thereof. The tax is to be imposed each year commencing after June 30 and ending before July 1, 1972.

A schedule of taxable gross weights was announced last week by the IRS and published in the *INFORMATION LETTER* of Dec. 1, page 365.

The IRS also issued a statement of exemption from the tax "as to the use by the United States on or after July 1, 1956, of any highway motor vehicle on the public highways in the United States, whether or not such highway motor vehicle is owned by the United States."

Poultry Used in Processing

Poultry used in canning and other processed foods during October was 15 percent more than the quantity used in October last year, according to the Agricultural Marketing Service of USDA. The quantity used totaled 21,426,000 pounds, ready-to-cook weight, compared with 18,700,000 pounds in October, 1955.

The quantity of poultry used during the first ten months of 1956 totaled 158,173,000 pounds compared with 146,578,000 pounds used during the same period of 1955, an over-all increase of about 8 percent.

Canned Foods in A-Test

The favorable performance of canned foods in the nuclear tests in Nevada last year was illustrated and described in a feature appearing in the November issue of *Industrial Retail Stores*, a trade journal serving the stores of the major industries.

The article uses three illustrations showing a kitchen scene in one of the test houses before and after the blast, bringing out that food containers were undamaged. The pictures and text were the same as those published in the *U. S. Steel News*, for which the N.C.A. Information Division furnished photos and press releases publicizing the canned foods tests.

International Tin Agreement

Administrative preparations for placing the International Tin Agreement in operation were completed at the second meeting of the International Tin Council in London, October 15-19.

Three new participating countries, all consumers—Israel, Italy, and Turkey—were represented at the meeting and the Council approved Austria's application to join. The votes of the consuming country members were thus distributed: United Kingdom 380, France 165, Denmark 79, Canada 77, India, 75, Italy 56, The Netherlands 52, Belgium 38, Australia 32, Turkey 20, Spain 14, Israel 7, and Ecuador 5, for a total of 1,000.

After examining the current and future position of tin production, consumption and stocks, the Council estimated that for the two years 1956 and 1957 there would be an approximate balance between supply and demand. The Council agreed to commence in April, 1957, the publication of statistics which the International Tin Study Group will discontinue after March. The Council will meet again December 10.

The International Tin Study Group, meeting in London October 10-12, decided to maintain its headquarters in The Hague with a titular secretary and to remain a forum where its members can discuss questions of common interest relating to tin. Some of the members of the Study Group, including the United States, are not members of the Council nor parties to the International Tin Agreement.

A. C. Hill of the United Kingdom was elected chairman of the Study Group and J. Etienne of Belgium and E. E. Getzin of the U. S. Bureau of Mines were elected vice chairmen.

USDA Opposes Rate Increase

Testimony in opposition to a proposed 7 percent "emergency" increase in railroad freight rates, to the extent that such an increase would apply to farm commodities and farm supplies, was given on behalf of the USDA at an Interstate Commerce Commission hearing November 28 in Kansas City. The ICC hearing was on a petition by the railroads for higher rates to cover increased costs.

One of the principal points made in behalf of farmers was that an increase in freight rates on farm commodities and supplies would run directly contrary to the government's efforts to improve farm prices and

income. It would cancel out, in part or in whole, the benefits of government programs now being carried on, it was stated.

The ICC was urged to give top priority to the alleviation of the depressed economic condition of agriculture in its consideration. The point was emphasized that revenue needs of the railroads should not be achieved at the expense of farmers.

Conference on Bitter Pit of Apples Held at N.C.A.

The Fruit Problems Subcommittee of the Raw Products Technical Advisory Committee sponsored a special conference on "bitter pit" of apples at N.C.A. headquarters on November 30. Research personnel in horticulture, plant pathology, post-harvest physiology and food technology from the Shenandoah-Appalachian states and the USDA were invited to meet with apple canners from the area to discuss the "bitter pit" or York spot problem on the York apple variety.

The eastern members of the Fruit Subcommittee who assisted in this conference were Dr. J. Willis Beidler of the C. H. Musselman Co., W. W. Hunt of National Fruit Product Co., and Carl G. Smith of Gerber Products Co. All apple packers in the Shenandoah apple area were invited to the

conference and most of the packers putting up alices sent representatives to this meeting. The industry presented factual data to point out the seriousness of the losses entailed in packing York apples affected by "bitter pit" which was unexpectedly prevalent in certain districts in the area this year. The presentation made quite an impression upon the 13 research workers from the states of Pennsylvania, Maryland, Virginia and USDA who, although familiar with the problem for many years, had not appreciated the importance of "bitter pit" as it affects the quality of the apple pack.

After a thorough discussion of the problem by the research personnel and the canners present, tentative plans were made by the research staffs of the Agricultural Experiment Stations in the area to include in their research projects the collection of some detailed data on the causes of this problem in apples. An effort will be made through very careful observations in these apple producing states to formulate a plan for predicting in advance of each year's packing season the seriousness of the problem. Although "bitter pit" is serious on York and to a certain extent on Stayman apples in the Shenandoah area, it is also a problem, in certain years, on Baldwin and Rhode Island Greenings in New York State and on Baldwin and Northern Spy apples in Michigan.

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